C6240-1

Business Aviation

THE WEEKLY OF BUSINESS AVIATION

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NATA TANK LEAK LIABILITY INSURANCE PROGRAM IN OPERATION

The first policy offering liability coverage against damages from leaking underground fuel storage tanks was issued last week under a program developed for members of the National Air Transportation Association. NATA had announced plans for such a program earlier this year *(BA, May 6/139)*.

NATA President Larry Burian told *BA* the insurance coverage available to fixed-base operators through the association will provide liability coverage against damages resulting from leaking tanks with policy limits of $1 million to $5 million and deductibles ranging from $10,000 to $100,000. Coverage will be provided for both gradual and sudden and accidental fuel losses. Insurance also will protect against third-party suits alleging personal injury, property damage or environmental impairment, will pay defense costs and will pay the cost of containing and cleaning up spills.

Burian said there is a need for such coverage because most general liability insurance policies do not cover losses or damages resulting from gradual fuel tank leaks and many of the policies that now provide coverage against sudden and unexpected spills are being revised to delete that coverage. To be eligible for the new insurance program, participants must be NATA members. In addition, FBOs must submit inventory records for a one-month period for all tanks for which coverage is sought. Those records will be analyzed by Warren Rogers Associates, Inc. of Newport, R.I., which Burian said has developed a computer analysis program capable of detecting losses as small as 1.2 gallons per day. If that analysis reveals significant discrepancies in a firm's inventory control procedures, an FBO's tanks would have to be tested, and repaired if necessary, before insurance coverage could be put in force.

For more information, contact NATA at 4226 King St., Alexandria, Va. 22302 or call (703) 845-9000.

PRODUCT LIABILITY SITUATION THREATENS SMALL AIRCRAFT INDUSTRY

The problem of increasing court judgments as a result of product liability suits is "the most serious issue confronting the general aviation industry" and one that threatens continued production of small aircraft in this country, speakers at a Washington meeting on the product liability issue said last week. Forum for last week's discussion was the Congressional Aviation Forum, a group of Congressmen interested in aviation issues. Rep. Dan Glickman (D-Kan.), one of the founders of the group, said huge judgments awarded by the courts in recent years resulted in "aircraft manufacturers . . . having extreme difficulty obtaining adequate insurance."

Saying that he could not "overstate the gravity of the situation," David Dann, representing the insurance underwriters at Lloyds of London, said "there is an ever increasing tendency on the part of the jury to impose high awards purely on an emotional basis." He said that the average cost of a wrongful death in an aviation accident is $1 million and said that "fair compensation is no longer the standard." Dann said a "uniform and level standard of objectivity" had to be met in solving the product liability problem.

Crawford Brubaker, deputy assistant secretary for aerospace, trade development, of the U.S. Department of Commerce, reiterated that feeling saying "we must get uniformity (in the product liability issue) throughout the states," calling for cases to be heard in federal courts rather than on the state level. Brubaker said that because the issue of product liability has affected the aviation/aerospace industry more than

(Continued on the following page)

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AIRPORT AND AIRWAY TRUST FUND
Status As Of April 30, 1985

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$6,956,695,919.04	$6,440,835,770.41
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund) :		
Any liquid fuel except gas	7,622,000.00	41,837,299.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	232,000.00	1,581,000.00
2. Non-commercial 9 cents tax	1,840,000.00	14,294,384.00
3. Non-commercial 3 cents tax	613,000.00	4,311,128.00
4. Transp by air,seats,berths,etc.	198,640,000.00	1,408,759,730.00
Use of international trav fac	6,899,000.00	48,485,424.00
Transp of property and cargo	15,665,000.00	88,786,089.00
Total Tax Receipts	231,511,000.00	1,608,055,054.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	547.00
2. Any liquid fuel except gas	0.00	3,371,642.00
3. Gasoline -Retailer's tax	291,000.00	436,627.00
4. Gasoline -Manufac. tax	0.00	1,125.00
Total Reimburse for Tax Refunds	291,000.00	3,810,041.00
Net Tax Receipts	231,220,000.00	1,604,245,013.00
C. Interest on Investments	1,077,454.15	356,553,527.77
Net Receipts	232,297,454.15	1,960,798,540.77
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	28,017,990.00	505,122,851.38
2. Grants-in-aid for airports	51,441,532.39	461,942,587.28
3. Facilities & equipment	31,375,094.21	224,690,600.16
4. Research engineering & development	21,701,461.80	139,920,876.57
B. NOAA weather services	0.00	13,500,000.00
C. Interest on Refund of Taxes	0.00	101.00
Total Expenditures	132,536,078.40	1,345,177,016.39
IV. BALANCE - END OF PERIOD	7,056,457,294.79	7,056,457,294.79

STATEMENT OF FINANCIAL CONDITION

ASSETS :		
Undisbursed Balances:		
Airport & Airway Trust Fund	$ 823.65	
Operations	39,783,148.62	
Grants-in-aid for Airports	1,363,335.93	
Facilities & Equipment	16,009,909.54	
Research Engineering & Development	3,253,077.05	
NOAA weather services	0.00	
		60,410,294.79
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS :		
10-7/8% maturing June 30, 1985	136,282,000.00	
11 % maturing June 30, 1985	39,290,000.00	
11-1/4% maturing June 30, 1985	800,875,000.00	
11-1/8% maturing June 30, 1985	5,545,387,000.00	
11-3/8% maturing June 30, 1985	474,213,000.00	6,996,947,000.00
Total Assets		7,056,457,294.79
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$7,056,457,294.79
Total Liabilities and Equity		7,056,457,294.79

Treasury Department Chart